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CAPACITY-BUILDING IN ELECTRONIC COMMERCE: IMPACT OF THE NEW ECONOMY ON TRADITIONAL SECTORS OF DEVELOPING COUNTRIES: ELECTRONIC COMMERCE AND TOURISM

Note by the UNCTAD secretariat

I. INTRODUCTION

1. This note was prepared pursuant to paragraph 170 of the UNCTAD X Plan of Action (TD/386) which welcomed the document prepared by the UNCTAD secretariat entitled "improving the functioning and structure of the intergovernmental machinery of UNCTAD". In line with paragraph 6(a) of the secretariat document, this note identifies, and comments on, the policy questions posed by the Expert Meeting on Electronic Commerce and Tourism. First, taking into account the discussions by the Experts and the outcome of the Meeting, it outlines the main underlying reasons why electronic commerce should continue to be a major issue on the development agenda in UNCTAD and elsewhere. It then focuses on specific policy questions in e-tourism and e-commerce in general. In so doing, account is taken of the Experts' view that solutions to e-commerce in tourism need to address the wider policy questions of e-commerce in general.

II. ELECTRONIC COMMERCE AS A MAJOR ISSUE FOR DEVELOPMENT

2. E-commerce has had considerable economic impact on enterprises. Evidence for this is found in developed countries where e-commerce is becoming a common means of trading in many sectors. It is predicted that, in the next three years, the value of global e-commerce could reach as high as 10 per cent of the value of total world trade. Available information shows a considerable increase in Internet connectivity among individuals and enterprises around the world. There has also been a considerable expansion in the development of new products and Internet-based

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business activities such as Internet marketplaces that link buyers and sellers on a global scale. The full value of the Internet and e-commerce, though, goes beyond the pure exchange of goods and services. It also brings large improvements in back-end production systems, internal management of enterprises and supply chain management and improvements in workers' skills and productivity, as well as reducing requirements in respect of working capital and physical infrastructure. It further results in profound improvements in business relationships between enterprises.

3. The observed benefits of e-commerce to developed countries should be regarded as an important indication of the potential opportunities that e-commerce can offer to developing countries. As e-commerce continues to increase its share of total world trade, its impact on development must continue to attract the attention of developing countries. The current low level of participation in e-commerce by developing countries cannot be attributed to the lack of benefits of e-commerce for those countries, but rather it has more to do with the special constraints that developing countries are facing in this area, including lack of awareness, the high cost of connectivity, lack of infrastructure, legal issues, security problems, and so on. It is therefore imperative that e-commerce should be placed high on the development agenda in order to overcome these constraints. Apart from these observations, there are a number of reasons, as outlined below, why the development debate should place even greater emphasis on the need for developing countries to increase their participation in e-commerce.

4. SMEs play a strategic role in developing countries in terms of employment, investment and total output. However, they normally lack the resources and capacity needed to compete internationally and expand their market opportunities. E-commerce provides special opportunities to them because it involves relatively cheap and easily transferable technology, as well as low market entry barriers. Thus SMEs get a fair chance to compete in global markets with bigger players in developed countries.

5. E-commerce is a key element of globalization of the world economy and markets. Largely due to globalization, many enterprises in developing countries have become integral parts of global supply chains, especially in business-to-business transactions. Thus enterprises in developed countries that embrace e-commerce are likely to induce developing country enterprises to adopt new information technologies. An example of this is the growing importance of outsourcing of intermediate goods and services. Faced with global competition, many enterprises in developed countries are resorting to outsourcing of products and services, especially to low-wage countries. However, outsourcing requires efficient communication, rapid exchange of information and computers that can facilitate the quick monitoring of product design, development and quality. Consequently, developing countries require "e-competence" in order to benefit from the opportunities offered by product and service outsourcing.

6. The urge for developing countries to increase participation in e-commerce should take into account the fact that enterprises in these countries are already engaged in e-commerce, especially in business-to-business transactions in services industries. These include transactions in manufacturing, procurement, distribution, financial services and the development of information systems. The size and role of these transactions may not be fully documented because of the lack of data and definitional ambiguities about what constitutes e-commerce.

7. Despite existing infrastructure and other constraints, developing countries should be encouraged to participate in e-commerce because of prospects for "leap-frog" technologies such as cell phones and interactive television that may help them to bypass existing obstacles.

8. Enterprises in developing countries will incur large costs if they do not participate in e-commerce. A number of historical examples in other technological revolutions have shown that countries that lagged behind in adopting the new technologies suffered considerable economic losses. This was clearly the case, for example, in the "container revolution" in maritime transport in the 1960s and 1970s when developing countries that did not provide appropriate container handling facilities experienced large increases in their transport costs. In this connection, the existing low participation by developing countries in e-commerce should not be allowed to continue and develop into a situation where the international digital divide reaches crisis proportions.

9. The result of not participating in e-commerce is the loss of competitiveness and trading opportunities. Around the world, the Internet is increasingly becoming a source of product information for buyers and sellers, and enterprises that are not on the web may lose a large number of customers that rely on the Internet to search for products. An example of this is tourism, where most tourists from the origin countries that generate the largest numbers of tourists travelling to developing countries use the Internet as a source of destination information. It is evident that destination countries that do not embrace the Internet and e-commerce stand to lose substantial numbers of potential tourists. In the same vein, due to its global reach, e-commerce offers great opportunities for marketing non-traditional exports from developing countries. Such exports would take a very long time to make their presence felt in global markets if they were marketed through traditional channels alone.

III. POLICY QUESTIONS FOR CONSIDERATION BY THE COMMISSION

10. The Expert Meeting made a number of recommendations to Governments and enterprises in order to increase the participation of developing countries and countries in transition in electronic commerce, especially as regards tourism services.

11. In the view of the Experts, it is not possible to develop e-tourism without an overall business environment favourable to the growth of e-commerce. In line with this view, the rest of this note first comments on the policy questions posed by the experts, which are directly related to the tourism industry, and then discusses the general tenets of the e-commerce policies and strategies that the experts identified as critical for the promotion of e-commerce. Finally, it outlines proposals for UNCTAD's future work in accordance with the outcome of the Expert Meeting.

A. Policy questions for consideration by the Commission in formulating recommendations specific to e-tourism

12. Developing countries enjoy a very strong position in the market for tourism services, accounting for 15 per cent of international tourism receipts, or US$ 63 billion. In addition, the sector is in a very dynamic phase of development, as more people will travel more frequently to more destinations and will want more diverse travel experiences. The growth will be particularly

vibrant in the e-tourism sector, with projections for 2003 indicating a 2½ fold increase in online bookings in comparison with the year 2000. For developing countries, the tourism industry can thus offer tremendous growth opportunities, especially as new technologies, like the advent of wireless Internet and low earth orbiting satellites, offer opportunities for leapfrogging into e-commerce.

13. In order to seize these opportunities, the development of "destination management" for the promotion of e-tourism is vital. This strategy should be based upon available, and as necessary, additional research on market trends, consumer needs, web site use, demographic profiles, etc., of actual and potential consumers.

14. The key element of destination management should be a partnership involving central and local government, local communities and all parties involved in the provision of tourism services. Specifically, these would be: governmental and non-governmental tourism promotion agencies; destination management organisations (DMOs); local and international tourism service providers; domestic and international travel agents; global distribution systems (GDSs); travel portals; and the information and communication technology (ICT) sector.

15. In order to establish and maintain partnership and cohesion in an otherwise fiercely competitive business environment, new technologies might be a key element of success. Importantly, the digital revolution represents a challenge that no player in the industry can meet on its own, considering the high costs not only of developing and maintaining but especially of promoting and marketing a web site. Competitors will thus need to cooperate to build and enhance a destination brand image, while at the same time competing head-on in the same market.

16. The experts, representing the tourism industry in all its different facets, shared their different experiences and highlighted *inter alia* the points set out below, which are supported by the evidence from the field and in the literature.

17. Destination management should aim at promoting tourism that is sustainable in a social, cultural, environmental and economic sense. Managing a destination, as opposed to simply marketing it, means sustaining the resources and environment that make the destination what it is, both at present and for the future. An essential part of this strategy would be to increase the retention of tourism revenues in developing countries, which was estimated to be as low as 30 per cent in some cases. The Internet might help increase such revenue retention by cutting out intermediaries that do not necessarily add value to the product.

18. The role of the DMOs will be of essential importance for the success of national and local e-tourism strategies. DMOs, as organizations that are dedicated to a specific destination, have a function that is inherently different from that of tourism intermediaries without a dedicated destination focus. Their key functions will consist in: building a global brand for the destination as well as credibility and trust among consumers; developing public relations activities; and serving as an online tourism information center, in particular by promoting the destination in key tourism portals, search engines and gateways. Establishing a national portal might be an essential part of this strategy.

19. DMOs will be called upon to coordinate the relevant public and private actors and to be representative of relevant stakeholders at the local level. Clearly, there can be no single strategy for all DMOs, and it is necessary to explore as many alternatives as possible. In some instances, DMOs could assist in developing consistency across e-commerce platforms used by tourism producers. In addition, depending on local conditions, they could also deliver e-services directly, through an in-house e-commerce application that would connect the tourism industry members. Finally, a potential role would be spreading awareness and providing technical training for their affiliates or negotiating with banks and financial operators to reduce banking costs for online payments.

20. In collaboration with the private sector, DMOs could also develop special-interest tourism, for example eco-tourism and cultural tourism that could be particularly well suited for marketing on the web.

21. In order to be effective, DMOs must be institutionally established and provided with the necessary human, financial and logistical resources. Ultimately, this would require capacity building for DMOs in terms not only of technical training but also of provision of the necessary technical and financial resources. In the view of the modest budgets available for tourism promotion, various solutions could be experimented with, including the development of regional or subregional portals, at least partially financed by commissions on actual sales, and international cooperation by specialized agencies such as the World Tourism Organisation and UNCTAD.

22. In addition to efforts to increase presence on the web, it would also be crucial for developing countries to develop physical tourist attractions and support services such as banking, insurance, transport and customs.

23. Traditional travel agents and other intermediaries should transform themselves by adopting new information technologies and enhancing their expertise and creativity, so as to improve their efficiency and ensure their continuity. At the same time, maintaining contact, whether virtual or physical, with the end client remains important, because technology cannot replace human expertise. The options that exist for travel agents are therefore very varied, ranging from maintaining a physical presence to going entirely digital, thus becoming *de facto* tourism portals. In any case, the specific solution chosen should give due regard to the specific situation of each country. Since in many countries not all tourism suppliers will be ready for on-line transactions, travel agents' strategies could include local call centres, off-line transaction support, setting up multimedia kiosks in physical retail centres and providing a combined virtual/real option to the customer for final booking and payment.

24. At the international level, Governments were encouraged to make joint efforts to ascertain whether the international e-tourism market is working in a way that does not promote unfair or anti-competitive practices constituting barriers to the tourist industry for developing countries.

B. Policy questions for consideration by the Commission in formulating recommendations on e-commerce in general

25. As observed earlier, the experts were of the view that solutions for e-commerce in tourism should also address broader issues of e-commerce in general and their effects and benefits for development. In this context the experts made a range of recommendations regarding the different facets of e-commerce that the Commission may wish to consider.

1. Infrastructure

26. In the framework of policy measures to support the development of e-commerce in developing countries, particular attention should be given to improving Internet access and telecommunications infrastructure.

27. The evidence gathered by the UNCTAD secretariat and presented in the *Building Confidence* report (UNCTAD/SDTE/Misc.11) shows that the information and communication infrastructure required for e-commerce is still scarce in many developing countries, and telecom and Internet access is generally more expensive in developing countries in absolute terms. These differences are even more relevant when account is taken of the differences in revenue per capita.

28. Among the underlying causes for this is the lack of backbone capacity between countries in the form of fibre-optic cable or satellite linkages. Usually public telecom operators (PTOs) operate the international gateway or access to the national backbone, and leave the resale of end-user Internet access to the private sector. In a few countries the PTO operates an international gateway in competition with the private sector. In both cases, Internet service providers (ISPs) are often forced to consolidate all of their traffic over a single high-cost international circuit, and Internet traffic within a developing country region is provided by, and paid for to, United States or European service providers. Furthermore, developing country ISPs must bear the entire cost of the connection to Europe or the United States, which effectively gives the ISPs in developed countries free access to their network. In addition, and perhaps of more immediate significance for e-commerce, the lack of multiple links means that reliability is compromised, as there is no alternate route when the only international link goes down.

29. Another factor behind the insufficient telecommunication services and their high cost is that, until recently, these services were largely in the hands of state monopolies. State-owned telecom operators often do not have sufficient resources to expand or improve the network or to provide the advanced services that are now required. However, for a number of Governments direct revenues from the telecommunications sector are still an important part of the general revenue base, so privatization needs to be planned and implemented with care.

30. In practice, monopolies have all but ended in most countries, largely due to the licensing of mobile operators, which have rapidly become competitors to the fixed network as alternate primary providers of voice telecom services. As cellular/mobile tariffs are usually much higher than in the fixed networks, they cannot yet provide low-cost communications for the general public. Nevertheless, the lack of telephone lines and poor public ICT infrastructure – as well as falling

prices for mobile connections following their liberalization – have led to a strong growth of cellular telephony.

31. The privatization and liberalization of the national telecom sector is a necessary but minimal requirement. Investments are necessary to improve circuit capacity and bandwidth in order to drive access prices down. For this, private sector involvement and competition should be encouraged. An important development in this respect is that recent technical developments have made information and telecommunication infrastructure more affordable. In particular, network infrastructure rollout and usage costs have already plummeted, and will continue to do so for the foreseeable future. This will be aided by the exploding quantities of fibre, wireless and satellite bandwidth that can make rural areas as easy to reach as urban ones.

32. ISP subscription fees are also a contributing barrier to Internet access. Countries with larger numbers of ISPs generally have lower Internet charges, and in general it has been observed that prices have dropped and service quality has improved whenever competition has been introduced into the market.

33. Another positive development has been a rapid growth of private phone shops in some countries in response to the high costs of having a private telephone. Phone shops provide telephone services to the public where there are no public telephones or where private phone lines are not available or affordable. Similarly, there is also a rapidly growing interest in kiosks, cybercafés and other forms of public Internet access usually called telecentres, whereby computers with Internet access are installed in community phone-shops, schools, police stations and clinics. The concept has received considerable support from the ITU and other members of the international community, as well as a number of national Governments and public telecom operators. The telecentre approach may be one of the most important means of providing access to advanced services in rural areas, but further study and awareness-raising are needed to determine the most appropriate models.

2. Local content

34. The Expert Meeting stressed the importance of developing local content on the Internet in local languages and the languages of the most important tourism consumers.

35. In this respect, it should be noted that the availability of local content has an important effect on the generation of both local and international Internet traffic and is therefore directly connected to Internet penetration and the readiness of investors to install capacity.

36. Governments could play an important role in building awareness within the business community of the efficiency gains to be had by adopting the Internet as an administrative and business environment.

3. Online payments

37. As e-commerce expands, there will be increased demand for online payments. The demand for such payments comes from suppliers trying to sell their products and services online, as well

as from consumers seeking secure online payment opportunities. At the Expert Meeting, the Experts discussed problems of on-line payments, especially regarding their non-availability in developing countries, their high cost and the difficulties of ensuring security. The Experts recommended to Governments and enterprises that they review available research and conduct additional research, when necessary, on the impact of the non-availability of on-line payments and other information that may support the development of a sustainable tourism industry. They also recommended that UNCTAD carry out case studies and analysis of e-commerce in tourism, including problems of on-line payments.

38. Currently, while traditional off-line payments continue to be used in e-commerce transactions, on-line payment systems are growing. These payments, however, entail some risks and users are concerned about the security of digital transfers of sensitive information via the Internet. In response, a number of security and encryption systems have been developed to improve security.

39. Alongside the development of encryption techniques, a wide range of new on-line payment systems are also being created. The range of these systems includes credit-card-based systems, electronic cheques, electronic cash payment systems and micro-payment systems used for pricing micro-products.

40. The existence of a large number of payment systems poses problems in that there is no universally accepted standard for on-line payments. Moreover the multiplicity of payments systems suggests that they are in their infant stage as far as their security and reliability are concerned. However, the payments systems developed by leading banks in cooperation with major technology firms are currently servicing the bulk of on-line payments. At the same time, though, there is still a need to establish compatible, interoperable systems of international standards that can be used in different parts of the world.

41. While e-commerce transaction in developing countries can continue to rely on off-line payments, as the volume of e-commerce expands the development of on-line payments will become a pressing issue. Banks and financial services companies in the developing countries will need to adopt payment systems and practices that will meet their clients' new needs arising from a shift to on-line business. They will need to adopt systems that address the key issues of concern to users, namely security, confidentiality, identification of sellers and buyers, verification of buyers' solvency and guarantee of delivery. Similarly, regulatory authorities will need to provide the necessary supportive measures to ensure that acceptable system standards are established and maintained.

4. Legal and policy infrastructure and consumer protection

42. There exists a need to establish appropriate laws and regulations and service standards in order to build trust and consumer confidence and to ensure privacy and the protection of consumers and intellectual property rights. It is also essential to promote cooperation in setting up an international framework to protect travellers conducting transactions on the Internet. Furthermore, UNCTAD, in co-operation with other appropriate bodies, should carry out case

studies and analysis on issues such as encryption and electronic certificates or signatures, and develop capacity building through training and basic education in relevant fields.

43. In a number of meetings and intergovernmental debates held under UNCTAD auspices, the need for a legal and policy infrastructure that is supportive of and conducive to the practice of electronic commerce was identified as one of the prerequisites for the growth of electronic commerce. The existence of a predictable and supportive legal framework has likewise been singled out on a number of occasions as an essential tool to enhance the much-needed level of trust of both businesses and consumers in commercial transactions. This element of trust is particularly important in the field of tourism due to the inherent characteristics of e-commerce, such as the ease and speed with which businesses and consumers can communicate and engage in cross-border transactions. Limited or non-existent face-to-face contact between tourism service providers, travel agents and other intermediaries and travelers using these services increases the need for a predictable and trustworthy electronic marketplace. It is in this context that consumer protection constitutes an important dimension in the tourism industry, since it includes all the stages of the business-to-consumer commercial relationship, including commercial communications on services (advertising, promotion and marketing), (pre)contractual information and disclosure, contract formation, payment, delivery, guarantee and ultimately affordable dispute resolution and redress. Whilst the legal systems of many countries provide added protection for consumers against fraud and unfair or deceptive acts or practices by unscrupulous merchants, the relative anonymity and geographical distance of parties in e-tourism and e-commerce in general heighten the potential for such problems and the need for appropriate action. To ensure that the principles underlying existing rules provide an equivalent level of protection in the on-line environment and that consumers enjoy transparent and effective protection, Governments need to determine whether current rules and practices are applicable and sufficient to protect consumers on-line, including travelers, or whether a new set of rules or self-regulatory means might be needed. In this effort, due regard must be given to the global nature of the marketplace and the desirability of adopting a global approach to consumer protection issues without unduly inhibiting the growth and development of e-commerce in general and e-tourism in particular.

5. Protection of privacy

44. Other problems identified by the Expert Meeting refer to the need to ensure privacy. The right to privacy has been recognized in most countries as a fundamental human right since the adoption of the Universal Declaration of Human Rights in 1948 by the General Assembly of the United Nations (Article 12). To make the right to privacy enforceable, many countries have created treaties and agreements on a regional level, and more recently they have adopted legislation and/or self-regulation mechanisms to protect individuals against the misuse of personal data. Since virtually every e-commerce transaction involves the transfer of personal data, such as an individual's name, address and credit card number, personal data may be routed via countries with little or no data protection legislation. A number of different approaches to data protection - from comprehensive regulation to sectoral and self regulation and co-regulation - have been adopted in order to obtain adequate protection. In determining adequacy, it is necessary to consider not only the content of rules applicable to personal data, but also the procedural mechanisms in place to ensure their proper application. It is suggested in this regard that a model

for data protection might be a valuable tool to facilitate a global solution to the trans-border flow of personal data.

6. Intellectual property rights

45. Concerning intellectual property protection, although intellectual property creation and enforcement are fundamentally territorial in nature, intellectual property rights have also always had an international dimension because of the borderless and intangible characteristics of the flow of information. The emergence of the Internet has greatly increased the speed and efficiency of transnational information exchanges, and enabled greater exchanges of patented ideas and copyrighted works, both authorized and unauthorized in nature. The Internet also facilitates international reach and exposure for even small, formerly local companies, which makes the source-identifying function of trademarks crucially important. A critically important area in this field is the relationship between "domain names" – easy-to-remember, human-friendly names associated with Internet locations – and trademarks. The conflict between domain names and intellectual property rights has led the World Intellectual Property Organization (WIPO) to make a number of recommendations to the Internet Corporation for Assigned Names and Numbers (ICANN) on certain questions arising out of the interface between domain names and intellectual property rights. The recommendations dealt with the adoption of a number of improved standards practices for registration authorities, dispute resolution policy concerning abusive domain name registrations; exclusion for famous and well-known marks, and conditions for introducing new generic top-level domains. The goal of the evolving legal principles and standard practices in this area should be the protection of intellectual property rights without impeding the growth of e-commerce.

7. Encryption and electronic signatures

46. As regards encryption and electronic certificates or signatures, there seems to be consensus that a mechanism for secure authentication of electronic communication is critical to the development of electronic commerce. These mechanisms must provide for confidentiality, authentication (enabling each party in a transaction to ascertain with certainty the identity of the other party), and non-repudiation (ensuring that the parties to a transaction cannot subsequently deny their participation). The new draft Model Law on Electronic Signatures and the draft Guide to Enactment of the Model Law currently being finalized by UNCITRAL will provide an important international model for developing countries wishing to prepare legislation on electronic signatures.

IV. PROPOSALS FOR UNCTAD'S FUTURE WORK, TAKING INTO ACCOUNT THE OUTCOME OF THE EXPERT MEETING

47. The discussions and recommendations of the Expert Meeting re-enforced the mandate provided in the UNCTAD X Plan of Action, as well as recommendations that have been made in a series of UNCTAD seminars and regional round tables on electronic commerce and development. They provide the content of UNCTAD's future work in the area of electronic commerce, as described below.

48. The UNCTAD secretariat needs to continue to study the implications for developing countries of the economic, social and legal aspects of electronic commerce from a development perspective, as mandated by UNCTAD X. Following the success of the UNCTAD publication entitled *Building Confidence*, the secretariat will publish the results of its analytical work in an annual publication that will cover general issues of policy in the field of e-commerce, as well as more technical matters, so as to provide a useful source of information on formulating strategies and policies on e-commerce. Additionally, the publication will be distributed and used in UNCTAD technical activities in the field, in order to contribute to raising awareness and building capacity in developing countries regarding the new information technologies. Considering the volume of additional work that this activity will require, the Commission might consider recommending that the required human and financial resources be made available to the secretariat within the regular budget.

49. It is essential for the UNCTAD secretariat to continue to monitor the trends in the tourism industry, in particular giving priority attention and support to the development of e-tourism that is economically, socially, and culturally sustainable in developing countries. This analytical work – to be undertaken in close collaboration with the World Tourism Organization, tourism research centres and academic institutions – will be aimed at the formulation of recommendations for maximizing the developmental benefits of e-commerce and will be reflected in the next issue of the yearly publication. It will be illustrated and complemented as necessary by case studies and analysis of technical issues such as on-line payments and new technologies such as interactive television and cellphones that can support e-commerce. On-line payments, in particular, are an area in which the Expert Meeting stressed that urgent action is required. To respond to these concerns, it might be desirable to organize an expert meeting on electronic commerce and financial services in order to study the issue further and propose strategic action.

50. As previously agreed by the Expert Meeting on Capacity-Building in the Area of Electronic Commerce: Legal and Regulatory Dimensions (14-16 July 1999) and endorsed with an amendment by the Commission at its fourth session (19-23 July 1999) (see TD/B/COM.3/28 and TD/B/COM.3/29), UNCTAD will continue to keep under review and monitor developments pertaining to legal and regulatory aspects of electronic commerce, keeping countries informed thereof, particularly on the following questions: jurisdiction, applicable law, dispute resolution mechanisms, taxation, intellectual property, domain names, privacy and data protection, consumer protection, computer crime, Internet content regulation, authentication, legal rules on certification authorities and their impact on cross-border recognition of certificates, and the role of accreditation and standardization bodies. In doing so, close cooperation will be maintained with the relevant international organizations, such as UNCITRAL, the Economic Commission for Europe, the World Intellectual Property Organization, the World Trade Organization, and the Organization for Economic Cooperation and Development. In order to keep developing countries abreast of developments in this area, the secretariat will include a chapter on legal and regulatory developments on e-commerce in the annual publication on Electronic Commerce and Development.

51. UNCTAD should support DMOs from developing countries and countries in transition in developing an e-commerce strategy. In particular, the UNCTAD secretariat could, in collaboration with research institutions and with the World Tourism Organization, prepare ad hoc training

material for DMOs, to support their informatization and to increase their capacity to act as destination management organizations. The course could then be disseminated through the TRAINFORTRADE Programme. The secretariat could also assist in the promotion of partnerships between DMOs in developing countries on the one hand and intermediaries and origin country DMOs on the other hand and in general promote the exchange of experiences among DMOS in different countries and regions.

52. The UNCTAD secretariat could find ways and means through appropriate UN programmes to act as an incubator for small and medium-sized enterprises in the area of e-commerce and e-tourism. Through the same programme, the secretariat could also examine ways to promote the visibility of tourism portals in developing countries and possible arrangements for the establishment of a global, central tourism portal for the benefit of developing countries.

53. In cooperation with other relevant international organizations and within existing human and financial resources, UNCTAD will seek to assist developing countries, upon request, in understanding the implications of various legislative approaches to accommodating electronic commerce.

54. To enhance the knowledge and awareness of government officials, trade practitioners, lawyers and entrepreneurs in developing countries regarding the legal aspects of electronic commerce, a TRAINFORTADE course on "Legal Aspects of E-commerce" is currently under development and will be available early next year. The course is being developed in close cooperation with UNCITRAL. It will include a detailed description of the legal issues involved in e-commerce, the problems raised in an electronic environment and possible solutions. Issues to be covered by the course are the following: contract creation, enforcement and validity; regulatory requirements (business compliance and marketing/advertising); security, jurisdiction issues; payment; taxation; consumer protection, data protection and dispute resolution.